

Talbot County, Maryland
2019 TAX SALE
TERMS & REGISTRATION FORM
May 15, 2019

This is a public auction sale. Prospective bidders should investigate the properties. There are no warranties, expressed or implied, (a) that a property has a marketable title, (b) the property contains the area of land which it is said to contain, or (c) the property is located correctly on the tax maps of Talbot County, Maryland. The purchaser assumes all risks in these regards. The sale of the property is subject to any discrepancies or conflicts in boundary lines. The property is being sold as is, without any warranties. The term "taxes" used therein refers to outstanding real estate taxes, property liens, water/sewer usage charges, interest, municipal and other service charges, penalties, and advertising charges. Talbot County shall not be responsible or assume any liability resulting from the sale of properties for municipal taxes, charges, etc. as said sales are solely for the convenience of the municipality.

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| ALL TAX SALE BIDDERS ARE SUBJECT TO THE FOLLOWING TERMS OF SALE |
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A. General Terms of Sale

1. Section 14-818 of the Tax Property Article of the Annotated Code of Maryland provides that the payment of the purchase price on tax sales "shall be on the terms required by the collector." Talbot County (County) requires that all purchasers remit on the day of the tax sale **before 3:00 pm** the full amount of all taxes and other outstanding charges due on the property, whether in arrears or not, together with interest and penalties on the outstanding amounts and expenses incurred. **Failure to pay by 3:00 pm will result in the purchaser being barred from future tax sales.** In addition, Section 14-818 provides that "the residue of the purchase price remains on credit." The difference between the bid amount and the amount paid at the time of sale must be paid upon foreclosure.

2. The bidding process for Tax Sale is by auction. The Tax Sale commences at 10:00 a.m. in the South Wing of the Talbot County Circuit Court House in the Bradley Meeting Room, 11 North Washington Street, Easton, Maryland 21601.

3. Pre-registration is **REQUIRED**. To allow the Department sufficient time to confirm bidder eligibility, registration will not be allowed on the day of the sale. You may pre-register by completing the attached registration form and returning it, along with a copy of your driver's license, an IRS Form W-9, Request for Taxpayer Identification Number and Certification, and any required documentation, if needed, to the Talbot County Finance Office at 11 North Washington Street, Suite 9, Easton, Maryland 21601. Pre-registration ends Friday, May 10, 2019. Please call to confirm receipt of your documentation. Photo identification will be required on the day of Tax Sale before issuing a bidders card.

4. Who can bid:

- a. Any individual;
- b. A member of a Limited Liability Company (LLC) if the LLC has no manager;
- c. A manager of the LLC;
- d. A general partner of a partnership or limited partnership;
- e. The administrator or executor of an estate;
- f. The trustee of a trust.
- g. If the bidder is a corporation, a principal officer or corporate officer who has legal authority to bind the corporation; any person who is designated by the board of directors or other governing body of the corporation; any officer or employee of the corporation upon written request signed by a principal officer of the corporation and attested by the secretary or other officer of the corporation.

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5. Bidding must be done in person. All entity bidders (corporations, partnerships, limited liability companies, limited liability partnerships, trusts and estates) must establish their eligibility for bidding by presenting satisfactory evidence of the legal existence of the bidding entity and by identifying a single agent to bid for that bidding entity. All entity bidders must provide the following information:

- a. Legal name of entity;
- b. Resident agent(s) name, address, and telephone number;
- c. Street address for principal place of business;
- d. Bidder's name, address, telephone number, and photo identification;
- e. State identification number, if applicable;
- f. Evidence that entity is in good standing in the State of Maryland; and
- g. Agents of entity bidders must identify themselves by full name and address, and provide evidence of their authorization to bind the principal.

B. The Bidding Process

1. All bidders must register with the Finance Office and have a numbered bidder card assigned to them. Only one bidder's number will be assigned per legal entity.

2. Bidders are required to **fully extend** their assigned numbered card. To avoid any disputes, the card must be visible to the auctioneer.

3. The County, auctioneer, or designee may at any time debar, suspend, or eject any bidder from further participation in any tax sale for disruption of the sale or violation of any terms of the sale. In addition to the individual bidders that are barred, the entity they represent will also be barred from further participation in any tax sale held by Talbot County.

4. The auctioneer may refuse any bid, which, in the auctioneer's sole subjective discretion, will manifestly frustrate the object and purpose of the tax sale.

5. Any agreement, consent, or conspiracy to suppress, predetermine, rig or fix the bidding at the tax sale is contrary to public policy and the County retains the authority to void any such bids received.

6. Bidding will begin at an amount set by the auctioneer. Bid prices will be no less than the amount due for taxes and other charges. The auctioneer will begin with the first district and proceed in lot number order, stating the amount due. The auctioneer will set any and all incremental bidding levels. When the auctioneer says "sold," the sale of the property is complete. The auctioneer's decision is final.

7. A high-bid premium must be paid by the high bidder if the bid exceeds 40% the property's full cash value. The premium equals 20% of the amount by which the bid exceeds 40% of the property's full cash value. The premium is returned, without any interest, upon redemption or foreclosure. The high-bid premium is not refundable after the time required under Section 14-833 of the Tax Property Article for an action to foreclose the right of redemption if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time.

8. Successful bids will be conditionally accepted, pending payment of the amounts due. Settlements must occur no later than 3:00 P.M. the day of the tax sale. Failure to pay by 3:00 pm will result in the purchaser being barred from future tax sales. Acceptable forms of payment are cash and checks. Entity bidders must pay with

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entity checks. Individual bidders who have not participated in County Tax Sale will be required to submit a letter of reference from their bank or lender stating they are a customer in good standing if paying by check.

9. All cellular telephones, pagers or other communication devices must be turned off while in the Bradley Meeting Room. Any use of these devices during the tax sale is prohibited.

C. Notice Regarding Certificate of Sale, Redemption, and Foreclosure

1. Certificates of Sale

Talbot County will mail *Certificates of Sale* on or before November 15, 2019 to successful bidders for those properties that remain unredeemed. A *Certificate of Sale* holder may commence an action to foreclose the rights of redemption 6 months from the date of the sale. **Claims by certificate-holders for reimbursable expenses will be limited to those actually incurred in any action or in preparation for any action to foreclose the right of redemption as allowed by law, Tax-Property Art., § 14-843, Md. Ann. Code. No claim for reimbursement for any expenses will be allowed absent satisfactory proof that the allowed expense has been actually incurred and paid. Certificate holders will be required to provide invoices, statements, canceled checks, or other satisfactory evidence of payment.**

A certificate holder has the right to foreclose the rights of redemption by filing an action in the Circuit Court for Talbot County, Maryland. Certificates become void unless a proceeding to foreclose is filed within two years from the date of the certificate. Any right, title and interest of the purchaser in the property sold shall cease at the point of expiration, and all money received by the County as a result of the sale shall be deemed forfeited. (Md. Anno. Code, Tax-Property § 14-820).

2. Redemption

The Finance Office will be informing property owners of your bid price and such other information as may be necessary to enable those parties to make an informed financial decision concerning redemption.

The owner or other person having an estate or interest in the property sold has the right to redeem the property at any time until the right of redemption is finally foreclosed by an order of the Circuit Court (Section 14-827).

Payment must be made by certified check, cashier's check, mortgage company check, money order, or cash.

If the property is redeemed after the date of sale but prior to issuance of the *Certificate of Sale*, the redeeming party shall be required to pay to Talbot County:

1. the total sum paid at the tax sale by the successful bidder;
2. any taxes, interest, and penalties accruing on the property after the date of sale; and,
3. 6% simple interest accruing on those amounts, except that any Premium shall accrue no interest.

Upon redemption, Talbot County shall notify the successful bidder and deliver the collected funds. The successful bidder shall not be entitled to any amounts other than those calculated and collected pursuant to Paragraph D. Notice shall be sent by regular first-class mail and deemed sufficient if sent to the successful bidder at the address provided on this form. The successful bidder is required to advise the Talbot County Finance Office of any change of address.

For properties redeemed after issuance of a *Certificate of Sale*, Talbot County will send to the certificate-holder, by regular first-class mail, notice that a person in interest has indicated an intent to redeem. The certificate-holder and any assignee are required to advise the Talbot County Finance Office of any change of address or

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assignment of the certificate of sale. **The certificate holder will be required to complete, execute under oath, and return a *Redemption Audit & Summary* form within 15 days from the date notice is sent.** Certificate holders will be required to include copies of all documents on which they rely to show that they have actually incurred the expense for which they are claiming reimbursement (e.g.: valid invoices, statements, cancelled checks, receipts, etc.). Claims for reimbursement with inadequate or missing documentation will be disallowed.

IMPORTANT!!! Certificate holders waive their right to reimbursable expenses allowed under § 14-843 if they do not provide a completed *Redemption Audit & Summary* form and documentation to Talbot County within 15 days from the date notice is sent.

In accordance with provisions of the Tax-Property Article § 14-839 (c), Md. Ann. Code, Talbot County, Maryland shall be notified upon filing of an action to foreclose the right of redemption.

If the plaintiff is successful in an action to foreclose the right of redemption, he/she will deliver a legally sufficient deed to the Talbot County Finance Office. At that time, the balance of the purchase price and all the other taxes and charges shall be due and payable.

Notice will be sufficient if served upon:

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| Talbot County, Maryland | |
| Talbot County Finance Office | Phone: (410) 770-8020 |
| c/o Finance Office Manager, Suite #9 | Fax: (410) 770-8006 |
| 11 N. Washington Street | |
| Easton, Maryland 21601 | |

3. Foreclosure

The holder of a certificate of sale may at any time after the expiration of six months from the date of sale, file a complaint in the Circuit Court to foreclose all rights of redemption of the property to which such certificate relates. If such action is not taken within a two-year period subsequent to sale, the certificate is null and void (Section 14-833). The plaintiff must forward a copy of the complaint to the Department of Finance.

The certificate of sale must be attached and made a part of the complaint (Section 14-835).

The plaintiff in any action to foreclose the right of redemption must be the holder of the certificate of sale.

The defendants in the proceedings must be (a) record owner(s) of the property, (b) owner of ground rents, if applicable, (c) mortgage holders and trustees under any deed of trust, and (d) the County (Section 14-836).

The final judgment of the Court will direct the Collector to execute a deed upon payment to the Collector of the balance of the purchase price, together with all taxes, interest, penalty and charges accruing subsequent to the sale. The deed is to be prepared by the holder of the certificate of sale or an attorney. The Collector is not obligated to execute the deed until the clerk of the court has furnished the Collector with a certified copy of the judgment. If the holder of the certificate does not comply with the terms of the final judgment within 90 days, the judgment may be stricken by the Court upon the motion of an interested party (Section 14-847).

Once a judgment is granted, the plaintiff becomes liable for taxes due after the judgment and for any surplus bid (Section 14-844).

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D. Notice Regarding Invalid Certificates and Voided Sales

1. Bidders are on notice that possibility exists that a certificate purchased at the Tax Sale may, upon subsequent inquiry, be determined to be invalid or void. The County reserves the right to invalidate or void a sale at any time. In the event the County determines that a tax sale is invalid or void the County will, as the exclusive remedy available to the purchaser, reimburse the purchaser the tax sale purchase price paid, without interest, and any applicable high bid premium paid, without interest. Events that may invalidate a tax sale include, but are not limited to, bankruptcy filings prior to the tax sale, transfer errors on the assessor's records that cause the failure of notice to the proper property owner or sale of incorrect property, payment of taxes prior to the tax sale, issuance of a revised assessment by the assessor, value changes by the assessor, erroneous service charges, or service fees,. The tax sale bidder/purchaser assumes all risks of any irregularity of the sale and has no other remedy against the County. The County is not liable for and will not pay the purchaser any interest, costs, expenses or attorney fees associated with any invalid or voided sale.

E. Warranty

1. By signing this form, each bidder represents and warrants that they are authorized to bid and ready, willing and financially able to consummate each sale at the price(s) bid. Bidders acknowledge that this representation is material to the County's willingness to issue them a bidder card and to accept bids during the sale. **Failure to abide by any of the above terms can result, without notice, in barring future participation of the bidder and/or bidding entity.**

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Assigned Bidder #

PRE-REGISTRATION IS REQUIRED AND ENDS Friday, May 10, 2019

By signing below, each bidder is certifying that he or she has read and understood the terms of the tax sale and accepts the foregoing with the intention to be legally bound, and hereby declares and affirms, under the penalties of perjury, that the information and representations provided to the county are true and correct.

Bidder's Signature

Bidder's Name (Print)

If Bidder is an Individual (please print legibly)

Legal Name of Individual as it will appear on Tax Sale Certificate

Individual's Social Security Number

Telephone Number

Mailing address of Individual

If Bidder is an Entity (please print legibly)

Legal Name of Entity as it will appear on Tax Sale Certificate

Entity's Federal Identification Number

Mailing Address of Entity

Contact Person

Telephone Number

Resident Agent's Name

Telephone Number

Resident Agent's Address

Bidding Agent's Name

Telephone Number

Bidding Agent's Address

This form must be filled out in its entirety and returned to the Finance Office along with a copy of your driver's license, letter of credit or good standing from individual's bank and any other required documentation as set forth in the terms. Failure to complete the form in its entirety or to supply the required documentation with the form will result in the denial of your registration.